HIGHLANDS LOCAL MUNICIPALITY

FINANCIAL STATEMENTS

30 JUNE 2004

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GENERAL INFORMATION

MEMBERS OF THE EXECUTIVE COMMITTEE

GRADING OF LOCAL AUTHORITY

Grade

AUDITORS

Auditor-General

BANKERS

REGISTERED OFFICE

COUNCIL MEMBERS

APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 5 to 29 were received by the Municipal Manager on 29 September 2004 and will be presented to and approved by the Council.

MUNICIPAL MANAGER

FOREWORD BY HER WORSHIP THE MAYOR

MAYOR

DIRECTOR OF FINANCIAL SERVICES REPORT

1. OPERATING RESULTS

Details of the operating results per department, classification and object of expenditure are included in Appendices D and E. The overall operating results for the year ended 30 June 2004 are as follows:

INCOME	ACTUAL		VARIANCE	BUDGET
	2003	2004	2003/2004	2004
	R	R	%	R
Opening Surplus	14,215,906.00	21,670,426.00	52%	-
Operating income for the year	7,454,520.00	242,563.49	-97%	11,285.00
Closing Deficit	21,670,426.00	21,912,989.49		11,285.00

1.1 Rate and General Services

	ACTUAL		VARIANCE	BUDGET
	2003	2004	2003/2004	2004
	R	R	%	R
Income	16,754,790	25,278,725	51%	20,085,802
Expenditure	(18,614,646)	(21,595,375)	16%	21,663,431
	(1,859,856)	3,683,350		(1,577,629)

1.2 Trading Services

	ACTUAL		VARIANCE	BUDGET
	2003	2004	2003/2004	2004
	R	R	%	R
Income	10,164,421	13,651,332	34%	13,234,976
Expenditure	(9,141,308)	(11,595,861)	27%	11,646,062
	1,023,113	2,055,472		1,588,914

2. CAPITAL EXPENDITURE

Capital Expenditure on fixed assets during the year amounted to R2 228 083 (R2 510 in 2003)

	ACTUAL 2004 R	BUDGET 2004 R	ACTUAL 2003 R
Office Furniture and Equipment	78,800	20,000	2,510
Machinery & Equipment	1,850,115	615,300	
Vehicles	299,168	-	
	2,228,083	**635,300**	**2,510**

The resources used to finance the fixed assets were as follows:

	ACTUAL 2004 R	BUDGET 2004 R	ACTUAL 2003 R
Contribution from Income	510,856	635,300	2,510
Advance from CDF	1,717,227	0	
	2,228,083	**635,300**	**2,510**

3. EXTERNAL LOANS, INVESTMENTS AND CASH

External loans outstanding amounted to R145 253 as at 30 June 2003 (R 305 992 in 2003) as set out in Appendix B. No Loans were taken up during the year.

Grants and Subsidies totaling R 6 514 561(R4 072 589 in 2003) were received during the year.

Investments on 30 June 2004 amounted to R10 121 860 (R 9 480 211 in 2003). No investments were written off during the year.

More information regarding loans and investments are disclosed in notes 4 and 6 as well as Appendix B to the financial statements.

DIRECTOR OF FINANCIAL SERVICES REPORT

4. FUNDS AND RESERVES

More information regarding the funds and reserves are disclosed in notes 1 and 2 as well as Appendix A to the financial statements.

5. PROVISIONS

The following provisions were made in the 2003/04 financial year.

Leave Pay Provision : R213 058

6. EXPRESSION OF APPRECIATION

I am grateful to the Mayor, Members of the Executive Committee, Councillors, the Municipal Manager, Heads of Department, Office of the Auditor General and staff of the National Treasury for their support and assistance in preparation of these financial st

MR. BL MAHLANGU
DIRECTOR OF FINANCIAL SERVICES

ACCOUNTING POLICIES

1 BASIS OF PRESENTATION

1.1 These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Finance Officers in its Code of Practice for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (2nd Edition as amended)

1.2 The financial statements are prepared on the historical cost basis, adjusted for Capital expenditure as more fully detailed in note 3. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.

1.3 The financial statements are prepared on the accrual basis:
- income is accrued when collectable and measurable
- levy income is accrued when received
-expenditure is accrued in the year it is incurred

2 FIXED ASSETS

2.1 Fixed Assets are stated:
- at historical cost, or
- at valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation whilst they are in existence and fit for use.

2.2 Depreciation

The balance shown against the heading "loans redeemed and other capital receipts" in the notes to the balance sheet is tantamout to a provision for depreciation, however, certain structural differences do exist. By way of the "provision" assets are written down over their estimated useful life. Apart from advances from the various Council Funds assets may also be acquired through:
- Appropriations from income, where the full cost of the asset forms an immediate and direct charge against the operating income and it is therefore unnecessary to make any further provision for depreciation.
- Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "loans redeemed and other capital receipts" account.

2.3 Sale of fixed property

All net proceeds from the sale of fixed property are credited to the Land Trust Fund.
Net proceeds from the sale of all other assets are credited to the Capital Development Fund.

2.4 Financing

Fixed assets are financed from different sources including external loans, operating income, endowments and internal advances.
These loans and advances are repaid within the estimated lives of the assets acquired from such loans and advances. Interest is charged to the services concerned at the ruling interest rate applicable at the time the advance is made.

ACCOUNTING POLICIES

3 FUNDS AND RESERVES

3.1 Consolidated Capital Development Fund

The Local Authorities Capital Development Fund Ordinance Number 9 of 1978 requires a minimum contribution of 1% of the defined revenue of the council for the immediate preceding financial year. The council's contribution to the Capital Development Fund fo

4 SURPLUSES AND DEFICITS

Any surpluses or deficits arising from the operation of each service are retained in that service for its own use.

5 TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The cost of internal support services is transferred to the various services.

6 LEASED ASSETS

Fixed assets held under finance leases are capitalized. Such assets are effectively amortised over the term of the lease agreement.

- Lease finance charges are allocated to the accounting periods over the duration of the leases, by the effective interest rate method, which reflects the extent and cost of lease finance utilised in each accounting period.
- All other leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner relating to the period of use of the assets concerned.

7 INVESTMENTS

Investments are shown at a lower cost or market value if a permanent decline in the value occurred and are invested in accordance with Section 125 of the Local Authorities Ordinance 1974 (No. 25 of 1974)

8 INCOME RECOGNITION

8.1 Water Billing

Meters are read on a monthly basis and billed accordingly.
with the raising of the levies.

8.1 Assessment Rates

A general rates is levied based on the property value.
Rebates are granted to State owned property.

BALANCE SHEET
AS AT
30 JUNE 2004

	Note	30-06-2003	30-06-2004
		R	R
CAPITAL EMPLOYED:			
Funds & Reserves		11,435,342	11,029,979
Statutory funds	1	10,498,669	10,085,858
Reserves	2	936,673	944,121
(Accumulated Defecit) Unappropriated Surplus	12	21,670,427	21,912,990
		33,105,769	32,942,969
Long Term Liabilities	3	241,983	125,295
Consumer Deposits	10	722,828	805,371
		34,070,580	**33,873,635**
EMPLOYMENT OF CAPITAL:			
Fixed Assets	4	4,348,360	1,193,355
Investments	5	9,480,211	10,121,861
Long Term Debtors	6	-	-
		13,828,571	11,315,216
NET CURRENT LIABILITIES:		20,242,009	22,558,419
Current Assets:		34,415,617	37,003,594
Debtors	7	30,209,824	36,736,783
Cash on hand		39,373	39,373
Short term Portion of Long term Debtors	6	1,701	1,701
Bank Account		4,164,719	225,738
Current Liabilities:		(14,173,608)	(14,445,175)
Provisions	8	1,161,003	1,452,152
Short-term portion of Long Term Liabilities	3	64,009	19,958
Creditors	9	12,948,596	12,973,064
		34,070,580	**33,873,635**

INCOME STATEMENT
for the year ended
30 JUNE 2004

2003 ACTUAL INCOME	2003 ACTUAL EXPENDITURE	2003 SURPLUS/ (DEFICIT)		2004 ACTUAL INCOME	2004 ACTUAL EXPENDITURE	2004 SURPLUS/ (DEFICIT)	2004 BUDGET SURPLUS/ (DEFICIT)
R	R	R		R	R	R	R
16,754,790	18,614,646	(1,859,856)	**RATES & GENERAL SERVICES**	25,278,725	21,595,375	3,683,350	(1,500,072)
10,725,746	12,911,932	(2,186,186)	Community Services	19,005,106	15,455,089	3,550,018	(219,041)
413,583	1,950,921	(1,537,338)	Susidised Services	557,677	2,428,806	(1,871,129)	(2,504,188)
5,615,461	3,751,793	1,863,668	Economic Services	5,715,942	3,711,480	2,004,462	1,223,157
-	-	-	Housing Services	-	-	-	-
10,164,421	9,141,309	1,023,112	Trading Services	13,651,332	11,595,861	2,055,472	1,511,362
26,919,211	**27,755,955**	**(836,744)**	**TOTAL**	**38,930,057**	**33,191,235**	**5,738,822**	**11,290**
		8,291,264	**Apprpriations for the year (refer to note)**			(5,496,259)	
		7,454,520	**Net Surplus for the year/ (Defecit for the year)**			**242,563**	
		14,215,906	**Unappropriated Surplus/ (Defecit) at the beginning of**			21,670,426	
		21,670,426	**Unappropriated Surplus/ (Defecit) at the end of the**			**21,912,989**	

CASH FLOW STATEMENT
for the year ended
30 JUNE 2004

		30-06-2003	30-06-2004
Cash retained from operations:		**3,064,276**	**(6,291,598)**
Cash generated by operations	**13**	6,345,186	(479,712)
Investment income	**11**	938,538	731,388
(Increase)/Decrease in operating capital	**14**	(4,097,551)	(6,419,946)
		3,186,173	**(6,168,270)**
Less:			
Interest paid	**11**	(121,897)	(123,328)
Cash Utilised in Investment Operations - Fixed Assets		230,286	3,155,005
		3,294,562	**(3,136,593)**
Cash effect of financing Operations:			
Increase/(Decrease) in long term loans	**15**	(93,679)	(160,739)
Increase/(Decrease) in cash investments	**16**	(925,544)	(641,649)
Increase/(Decrease) in cash	**17**	(2,275,340)	3,938,981
		(3,294,562)	**3,136,593**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

		30-06-2003	30-06-2004
1.	**ACCUMULATED FUNDS:**		
	Capital Development Fund	6,153,739	6,772,235
	Land Trust Fund	4,344,930	3,313,623
		10,498,669	**10,085,858**
2.	**RESERVES**		
	Maintenance	709,699	709,699
	MHR Fly Fishing Park	226,974	234,422
		936,673	**944,121**
3.	**LONG TERM LIABILITIES:**		
	Local Registered Stock	122,131	-
	Annuity Loans	109,024	90,348
	Loan Fund	74,837	54,905
		305,992	**145,253**
	Less: Short-term portion	64,009	19,958
		241,983	**125,295**
	(Refer Annexure B)		
4.	**FIXED ASSETS:**		
	Fixed assets at the beginning of the year	72,426,955	72,429,465
	Capital expenditure during the year incurred of fixed assets received during the year	2,510	2,228,083
	Less:		
	Assets written off, transferred or disposed of during the year	-	(4,589,514)
	TOTAL FIXED ASSETS	**72,429,465**	**70,068,035**
	Less:		
	Loans redeemed and other capital receipts	(67,928,593)	(68,722,167)
	Unrealised housing charges	(152,512)	(152,512)
	NETTO FIXED ASSETS	**4,348,360**	**1,193,355**

Refer to Annexure C

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

		30-06-2003	30-06-2004
5.	**INVESTMENTS:**		
	Unlisted		
	External	9,480,211	10,121,861
	TOTAL INVESTMENTS	**9,480,211**	**10,121,861**
	Local Authorities are required to invest funds which are not immediately required with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at a penalty rate to meet commitments		
6.	**LONG TERM DEBTORS:**		
	Housing Loans	1,701	1,701
	Short-term portion of Long Term Debtors	(1,701)	(1,701)
		-	-
7.	**DEBTORS:**		
	Consumer debtors	27,483,892	33,636,214
	Sundry Debtors	363,879	74,527
	Grants spent not yet received	2,723,144	1,084,836
	Less: Provision for bad debts	(1,863,734)	(1,863,734)
	VAT	1,502,643	3,804,941
		30,209,824	**36,736,783**
8.	**PROVISIONS:**		
	Leave	845,600	1,136,749
	General Valuation	44,322	44,322
	Election Costs	21,335	21,335
	Audit Fees	249,746	249,746
		1,161,003	**1,452,152**
9.	**CREDITORS:**		
	Trade Creditors:	1,453,828	562,741
	Unspent Grants	7,229,024	5,259,754
	Debtors received in Advance	242,241	434,560
	- Value Added Tax levied but not yet received	4,023,503	6,716,010
		12,948,596	**12,973,064**
10.	**CONSUMER DEPOSITS**		
	- Electricity & Water	719,678	800,545
	- Sundry Deposits	3,150	4,826
		722,828	**805,371**
11.	**FINANCING TRANSACTIONS:**		
	- Interest : Earned	938,538	731,388
	- Interest : Paid	(121,897)	(123,328)
		816,641	**608,061**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

		30-06-2003	30-06-2004
12.	**APPROPRIATIONS:**		
	Appropriation Account:		
	Unappropriated Surplus at the beginning of the year	14,215,906	21,670,427
	Operating Surplus/(Defecit) for the year	(836,743)	5,738,822
	Prior year adjustment	8,291,264	(5,496,259)
		21,670,427	**21,912,990**
13.	**CASH GENERATED BY OPERATIONS:**		
	Surplus/(Deficit) For the year	(836,743)	5,738,822
	- Adjustment in respect of: Previous years operationg transactions	8,291,264	(5,496,259)
	- Reserves and Provisions	(163,996)	298,596
	- Statutory Funds	(128,698)	(412,811)
	- Interest Income	(938,538)	(731,388)
	- Interest Paid	121,897	123,328
		6,345,186	**(479,712)**
14.	**(INCREASE)/DECREASE IN WORKING CAPITAL:**		
	(Increase)/Decrease in Debtors	(8,044,291)	(6,526,959)
	(Increase)/Decrease in Long Term Debtors	1,701	-
	(Increase)/Decrease in Short Term potion of Long Term Debtors	(1,701)	-
	Increase/(Decrease) in Deposits	(195,330)	82,545
	Increase/(Decrease) in Creditors	4,142,070	24,468
		(4,097,551)	**(6,419,946)**
15.	**INCREASE/(DECREASE) IN LONG TERM LOANS (EXTERNAL):**		
	Loans Raised		
	Loans Repaid	(93,679)	(160,739)
		(93,679)	**(160,739)**
16.	**(INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS:**		
	Investments Made	(925,544)	(641,649)
		(925,544)	**(641,649)**

		30-06-2003	30-06-2004
17.	**(INCREASE)/DECREASE IN CASH:**		
	Cash balance at the beginning of the year	1,928,752	4,204,092
	Less: Cash balance at the end of the year	(4,204,092)	(265,111)
		(2,275,340)	**3,938,981**
18.	**CAPITAL DEVELOPMENT FUND**		
	Outstanding advances to borrowing services:-		
	Accumulated Fund	6,153,739	6,772,235
	Less: External Investments	(5,461,708)	(4,441,257)
		692,031	**2,330,978**

(Refer to Appendix A and B for more detail)

ACCUMULATED FUNDS, RESERVES, PROVISIONS & TRUST FUNDS

	BALANCE AT 2003-06-30	CONTRIBU-TIONS DURING THE YEAR	INTEREST ON INVESTMENT	OTHER INCOME	OPERATING EXPENDITURE DURING THE YEAR	CAPITAL EXPENDITURE DURING THE YEAR	BALANCE AT 2004-06-30
	R	R	R	R	R	R	R
1. **Statutory Funds**							
Capital Development Fund	6,153,739	273,922	344,574	-	-	-	6,772,235
Land Trust Fund	4,344,930	-	116,657	-		1,147,964	3,313,623
Reserve Funds							
Maintenance Electricity	83,025	-	-	-	-	-	83,025
Maintenance Water	283,821	-	-	-	-	-	283,821
Maintenance Sewerage	142,901	-	-	-	-	-	142,901
Maintenance General	199,952	-	-	-	-	-	199,952
MHR Fly Fishing Park	226,974	-	7,448	-	-	-	234,422
Provisions							
Provision for Bad Debts	1,863,734	-				-	1,863,734
Leave	845,600	213,058		254,916	176,825	-	1,136,749
General Valuation	44,322	-			-		44,322
Election Expenditures	21,335	-					21,335
Audit Fees	249,746	-		-	-	-	249,746
Sub-Total	**14,460,079**	**486,980**	**468,679**	**254,916**	**176,825**	**1,147,964**	**14,345,865**

EXTERNAL LOANS AND INTERNAL ADVANCES

Issued	Redeemable	Balance at 30 June 2003	Received during the year	Redeemed or Written off during the year	Balance at 30 June 2004
		R	R	R	R
EXTERNAL LOANS					
R170 000 @ 14.79%	2008	17,224	-	17,224	-
R70 000 @ 15.26%	2013	57,613	-	2,708	54,905
C.M.B. Nominees					-
1994 @ 9.4% 2004	2004	87,631	-	87,631	-
1974 @ 9.35% 2000	2000	34,500	-	34,500	-
COMMERCIAL UNION		2,939	-	(133)	3,072
ANNUITY LOAN					-
1979 @ 10.25% 2008	2008	31,580	-	4,525	27,055
1986 @ 17% 2006	2006	15,559	-	3,580	11,979
1978 @ 11.25% 2007	2007	58,946	-	10,704	48,242
		305,992	**-**	**160,739**	**145,253**
Internal Advances:					
CAPITAL DEVELOPMENT FUND					
-Main Substation		248,104	-	11,602	236,502
-Upgrade Pool Tanker		9,879	-	4,713	5,166
-Nissan LAW		-	-	-	-
- Upgrade Electrical Network		19,882	-	4,284	15,598
-Tractor (FORD)		31,729	-	6,837	24,892
-Alarm		1,768	-	842	926
- Mass Refuse removal		19,533	-	4,209	15,324
- Backactor (TLB)		12,371	-	2,666	9,705
-Tractor Ford 3000		29,300	-	6,313	22,987
-Trailor		9,115	-	1,964	7,151
- Massey Furgeson Tractor		32,555	-	7,015	25,540
- Massey Furgeson Tractor		30,602	-	6,594	24,008
-Nissan LAW		3,348	-	3,348	-
- Shed		150,092	-	7,991	142,101
- Hydrolic Lift		7,937	-	2,398	5,539
- Tar Joubert Street		85,816	-	7,504	78,312
- Equipment - Parks		-	384,000	-	384,000
- Equipment - Cleansing		-	449,640	-	449,640
- Equipment - Electricity		-	359,891	-	359,891
- Vehicle - Mayor		-	198,500	-	198,500
- Vehicle - Traffic		-	100,668	-	100,668
- Equipment - Public Works		-	224,528	-	224,528
Land Trust Fund					
-Tourism Fase 1 & 2		110,697	-	43,699	66,998
		802,728	**1,717,227**	**121,979**	**2,397,976**

ANALYSIS OF FIXED ASSETS

Expenditure 2002/2003	SERVICE	Budget 2003/2004	Balance at 30-06-2003	Expenditure 2003/2004	Written off, transferred or disposed of during the year	Balance at 30-06-2004
2,510	**RATES & GENERAL SERVICES:**	**545,300**	**43,244,057**	**1,792,686**	**2,892,612**	**47,929,355**
2,510	**COMMUNITY SERVICES:**	55,300	24,964,397	478,417	(487,313)	24,955,502
-	Assessment	-	-	-	-	-
-	Health Services	28,300	72,910	28,389	(36,511)	64,788
-	Forestry	22,000	30,050	22,000	(39,550)	12,500
-	Public Works	5,000	14,013,893	229,528	4,423,913	18,667,335
-	Management Services	-	1,831,999	-	(1,688,274)	143,725
-	Council's General	-	5,560,645	198,500	(1,621,592)	4,137,553
-	Planning, Environment & Housing	-	2,073,370	-	(1,785,722)	287,649
-	Economic and Social Services	-	9,428	-	8,140	17,568
-	Municipal Manager	-	-	-	-	-
2,510	Finances/Treasurer	-	2,510	-	431,675	434,185
-	Town Clerk	-	138,395	-	(137,915)	480
-	Town Estate	-	426,416	-	201,618	628,034
-	Workshop	-	84,000	-	284,805	368,805
-	Cemetery	-	43,280	-	147,692	190,972
-	Registration Authority	-	100	-	(100)	-
-	Stores	-	677,401	-	(675,493)	1,908
-	**SUSIDISED SERVICES:**	45,000	6,505,311	461,226	493,229	7,459,765
-	Market	-	14,120	-	436,996	451,116
-	Library	-	28,012	-	14,106	42,118
-	Fire Protection	20,000	481,942	13,426	(479,591)	15,777
	Traffic	-	-	-	272,732	272,732
-	Civil Building	-	4,351,045	-	26,334	4,377,379
-	Abbatoir	-	-	-	-	-
	Sport & Recreation	-	-	-	2,106,722	2,106,722
-	Parks & Pavements	25,000	1,609,392	447,800	(1,928,118)	129,074
-	Swimming Pool	-	20,800	-	44,047	64,847

Expenditure 2002/2003	SERVICE	Budget 2003/2004	Balance at 30-06-2003	Expenditure 2003/2004	Written off, transferred or disposed of during the year	Balance at 30-06-2004
-	**ECONOMICAL SERVICES:**	**445,000**	**11,774,349**	**853,043**	**2,886,696**	**15,514,088**
-	Cleansing	-	692,260	449,640	(1,120,738)	21,162
-	Licencing	-	12,316	145,668	(157,984)	-
-	Holiday Resort	65,000	607,137	-	(607,137)	-
-	Sewerage	380,000	10,462,636	257,735	4,772,555	15,492,926
-	**TRADING SERVICES:**	**90,000**	**29,158,538**	**435,398**	**(7,455,255)**	**22,138,680**
-	Electricity	-	12,593,046	359,891	(121,668)	12,831,269
-	Water	90,000	16,565,492	75,507	(7,333,587)	9,307,412
-	**HOUSING:**	**-**	**26,870**	**-**	**(26,870)**	**-**
-	Housing	-	26,870	-	(26,870)	-
342,837	**TOTAL FIXED ASSETS**	**635,300**	**72,429,465**	**2,228,083**	**(4,589,514)**	**70,068,035**

SERVICE	Balance at 30-06-2003	Expenditure 2003/2004	Written off, transferred or disposed of during the year	Balance at 30-06-2004
LESS:				
LOANS REDEEMED AND OTHER CAPITAL	**67,928,593**	**793,574**	**-**	**68,722,167**
RECEIPTS:				
	67,928,593	**793,574**	**-**	**68,722,167**
Loans redeemed & Advances	2,540,200	282,718	-	2,822,918
Contribution ex operating income	6,562,290	510,856	-	7,073,146
General Capital-ward 2	105,557	-	-	105,557
General Capital	53,187,562	-	-	53,187,562
Donations	5,532,984	-	-	5,532,984
				-
NET FIXED ASSETS	**4,500,872**	**1,434,509**	**(4,589,514)**	**1,345,867**

ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED
30 JUNE 2004

2003 ACTUAL R		2004 ACTUAL R	2004 BUDGET R
	INCOME		
4,072,589	Grants and susidies	6,514,561	9,730,003
4,723,908	Assesment Rates	5,640,165	5,920,000
6,945,237	Sale of Electricity	9,514,830	11,093,000
1,531,443	Sale of Water	4,136,502	4,423,000
10,119,060	Other service charges	13,123,999	10,114,300
27,392,237		**38,930,058**	**41,280,303**
	EXPENDITURE		
13,321,439	Wages and allowances	14,150,456	16,500,479
11,580,980	**General Expenses:**	14,473,561	17,622,372
-	* Bulk water purchases	-	-
5,955,808	* Bulk electricity purchases	7,196,509	7,400,000
5,625,172	* Other general expenses	7,277,051	10,222,372
	General Expenses not classified		-
2,183,585	Repairs and maintenance	3,228,481	5,319,755
352,184	Capital Charges	406,046	646,107
2,510	Contributions to Fixed Assets	510,856	635,300
315,257	Contributions to Funds	421,835	545,000
27,755,955	**Gross Expenditure**	**33,191,235**	**41,269,013**
	Less: Amounts charged out	-	-
27,755,955	**Net Expenditure**	**33,191,235**	**41,269,013**

DETAILED INCOME STATEMENT
for the year ended
30 JUNE 2004

2003 ACTUAL INCOME R	2003 ACTUAL EXPENDITURE R	2003 SURPLUS/ (DEFICIT) R		2004 ACTUAL INCOME R	2004 ACTUAL EXPENDITURE R	2004 SURPLUS/ (DEFICIT) R	2004 BUDGET SURPLUS/ (DEFICIT) R
16,754,790	**18,614,646**	**(1,859,856)**	**RATES & GENERAL SERVICES**	**25,278,725**	**21,595,375**	**3,683,350**	**(1,500,072)**
10,725,746	**12,911,932**	**(2,186,186)**	**COMMUNITY SERVICES**	**19,005,106**	**15,455,089**	**3,550,018**	**(219,041)**
4,723,908	-	4,723,908	Assessment Rates	5,640,165	-	5,640,165	5,920,000
-	-	-	Management Services	-	-	-	-
-	178,147	(178,147)	Forestry	-	280,046	(280,046)	(165,523)
125,310	884,401	(759,091)	Health Services	199,860	1,092,509	(892,649)	(1,092,943)
47,621	3,315,307	(3,267,686)	Public Works	62,359	4,065,863	(4,003,504)	(4,783,841)
303,155	2,721,091	(2,417,936)	Council's General	984,120	2,830,013	(1,845,893)	(2,446,950)
25,358	138,083	(112,725)	Cemetry	23,458	129,969	(106,511)	(209,963)
3,949,169	1,317,842	2,631,327	Municipal Manager	6,314,731	1,458,646	4,856,085	4,823,960
-	370,789	(370,789)	Town Secretary	-	1,017,552	(1,017,552)	(1,174,277)
1,178,665	2,789,040	(1,610,375)	Finance / Town Treasury	4,488,597	2,804,579	1,684,019	(1,530,520)
-	-	-	Town Estate	-	-	-	-
-	199,488	(199,488)	Workshop	-	203,503	(203,503)	(224,036)
372,560	997,744	(625,184)	Traffic & Licencing	1,291,817	1,569,391	(277,574)	679,052
-	-	-	Stores	-	3,019	(3,019)	(14,000)
413,583	**1,950,921**	**(1,537,338)**	**SUBSIDISED SERVICES**	**557,677**	**2,428,806**	**(1,871,129)**	**(2,504,188)**
		-		-	-	-	-
9,335	298,122	(288,787)	Library	10,119	287,757	(277,638)	(306,177)
2,408	55,140	(52,732)	Fire Services	-	88,114	(88,114)	(248,614)
367,338	239,791	127,547	Civil Buildings	499,589	394,851	104,737	(18,260)
6,241	24,165	(17,924)	Swimming Pool	4,449	35,167	(30,718)	(76,526)
28,261	1,333,703	(1,305,442)	Parks & Pavements	43,520	1,622,917	(1,579,397)	(1,854,611)

2003 ACTUAL INCOME R	2003 ACTUAL EXPENDITURE R	2003 SURPLUS/ (DEFICIT) R		2004 ACTUAL INCOME R	2004 ACTUAL EXPENDITURE R	2004 SURPLUS/ (DEFICIT) R	2004 BUDGET SURPLUS/ (DEFICIT) R	
5,615,461	**3,751,793**	**1,863,668**	**ECONOMICAL SERVICES**	**5,715,942**	**3,711,480**	**2,004,462**	**1,223,157**	
1,394,306	510,624	883,682	Licensing	-	-	-	-	
2,226,031	1,557,107	668,924	Sewerage	3,073,085	1,947,824	1,125,261	409,951	
-	-	-	Holiday Resort	-	-	-	-	-
1,995,124	1,684,062	311,062	Cleansing Service	2,642,857	1,763,656	879,201	813,206	
-	**-**	**-**	**HOUSING SERVICES**	**-**	**-**	**-**	**-**	**-**
-	-	-	Housing	-	-	-	-	
		-						
10,164,421	**9,141,309**	**1,023,112**	**TRADING SERVICES**	**13,651,332**	**11,595,861**	**2,055,472**	**1,511,362**	
7,064,691	7,366,792	(302,101)	Electricity	9,514,830	9,187,087	327,743	621,148	
3,099,730	1,774,517	1,325,213	Water	4,136,502	2,408,774	1,727,728	890,214	

2003 ACTUAL INCOME R	2003 ACTUAL EXPENDITURE R	2003 SURPLUS/ (DEFICIT) R		2004 ACTUAL INCOME R	2004 ACTUAL EXPENDITURE R	2004 SURPLUS/ (DEFICIT) R	2004 BUDGET SURPLUS/ (DEFICIT) R
26,919,211	**27,755,955**	**(836,744)**	**TOTAL**	**38,930,057**	**33,191,235**	**5,738,822**	**11,290**
		8,291,264	Appropriations for the year			(5,496,259)	
		7,454,520	Net Surplus / (Defecit) for the year			**242,563**	
		14,215,906	Unappropriated Surplus / (Defecit) at the beginning of the year			21,670,426	
		21,670,426	Unappropriated Surplus / (Defecit) at the end of the			**21,912,989**	